

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of:

GENESIS INSURANCE COMPANY,

An Authorized Insurer.

No. D 02 - 141

**CONSENT ORDER
IMPOSING A FINE**

FINDINGS OF FACT:

1. Genesis Insurance Company ("Genesis") is authorized to write property and casualty insurance in Washington State.
2. Genesis is subject to Title 48 RCW, the Insurance Code; and to Title 284 of the Washington Administrative Code ("WAC"). WAC 284-07-010(1), which requires each authorized property and casualty insurer in the state to "...record and report its Washington state loss and expense experience and other data, as required by RCW 48.05.390, on a form issued by the commissioner." This special liability report covers the period ending December 31 of each year. It must be submitted not later than May 1 of the following year. Consequently Genesis was required to submit its special liability report for the year 2001 not later than May 1, 2002. Negative reports are also required.
3. During the month of December, 2001, the Senior Actuary for the Office of the Insurance Commissioner (OIC) sent a broadcast e-mail to all the authorized property and casualty insurers, giving instructions and a form for the filing of the special liability report. This was sent to Genesis.
4. Genesis failed to file its 2001 special liability report with the OIC by May 2002. On May 23, 2002, the Senior Actuary at the OIC sent out reminder letters to those property and casualty insurers like Genesis, which had failed to file their 2001 special liability reports timely, or at all. One of those reminder letters was sent to Genesis. However, Genesis has not filed its special liability report at all. Genesis also failed to timely file its special liability report for 2000 by May 1, 2001, for which it was fined \$2500. In 1999, Genesis was fined for the use of unfiled rates. In 2002, it was fined for failure to pay its year 2000 assessment to the Midwives/ Joint Underwriting Association.

CONCLUSIONS OF LAW:

1. The failure of Genesis Insurance Co. to file its year 2001 special liability report by not later than May 1, 2002, was a violation of WAC 284-07-010. It was also a violation of RCW 48.05.380, "Reports by property and casualty insurers- Rules" and of RCW 48.05.390, "Reports by various insurers- Contents."
2. RCW 48.05.140(1), "Certificate of authority- Discretionary refusal, revocation, suspension" provides that the Insurance Commissioner has the discretion to refuse, suspend or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for violation of which refusal, suspension or revocation is mandatory."
3. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

CONSENT TO ORDER:

1. Genesis Insurance Company stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of \$5000 (Five Thousand Dollars and no/100) upon Genesis, in lieu of further proceedings against the certificate of authority held by that insurer in Washington state. This fine must be paid in full by not later than thirty days after this order is entered. Failure to pay the fine timely and in full will constitute grounds for the suspension or revocation of the insurer's certificate of authority in Washington state. It will also result in a civil action to recover the fine, brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.
2. Genesis Insurance Company also stipulates to comply with all insurance laws and regulations of this state in the future, including but not limited to WAC 284-07-101(1) and RCW 48.05.380.

EXECUTED, this 19th day of September, 2002.

GENESIS INSURANCE COMPANY

By: _____
Typed Name: _____
Typed Corporate Title: _____

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$5000 (Five Thousand Dollars and no/100) upon Genesis Insurance Company, expressly in lieu of further proceedings against the certificate of authority held by Genesis in Washington state. The fine is to be paid in full not later than thirty days after the entry of this order. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of that certificate of authority. It will also result in a civil action to collect that fine, brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 1st day of October, 2002.

MIKE KREIDLER
Insurance Commissioner

By:

WILLIAM KIRBY
Legal Affairs Division